2/24/86 AO400-1

The Aluminum Situation

Department of Economics and Statistics

February 1986

1985 Shipments Off 1.3 Percent

Net shipments for the year 1985, at an estimated 15,224 million pounds, were down 1.3 percent from the year 1984 total of 15,426 million pounds.

Domestic shipments of 14,020 million pounds were down 2.3 percent from the year 1984 total of 14,350 million pounds.

Imports of ingot and mill products were down 3.2 percent for the year, and exports were up 11.9 percent.

Thru December 1985

	12 mos. 1985	12 mos. 1984	% Change
Mill Products	11,946	11,896	+ 0.4
Ingot	3,278	3,530	- 7.1
Total	15,224	15,426	- 1.3
Less Exports	(1,204)	(1,076)	+11.9
Domestic Total	14,020	14,350	- 2.3

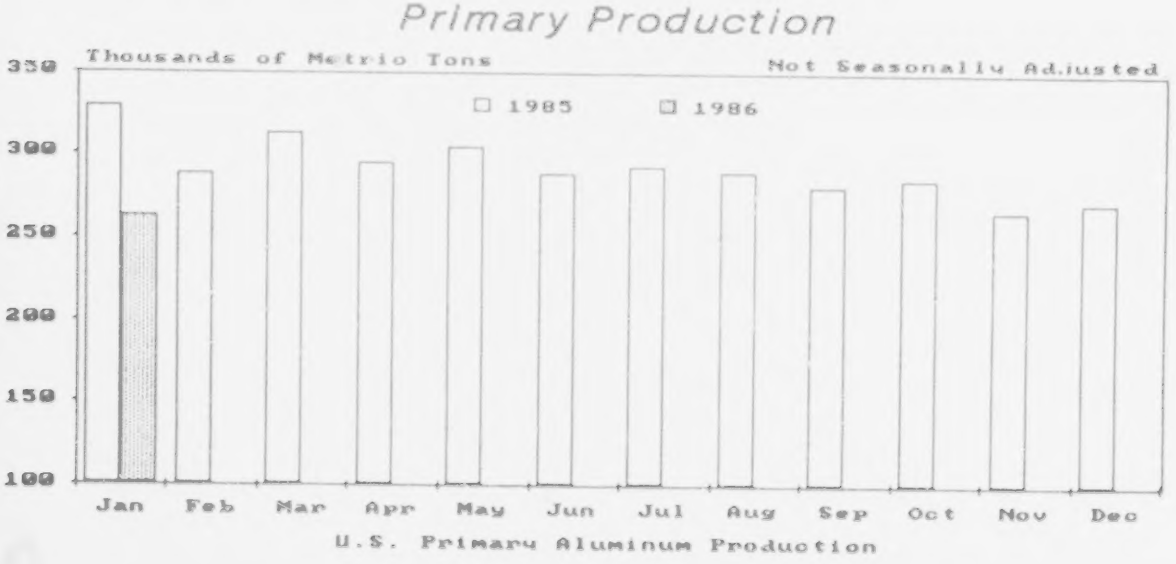
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

Production Rate Down 17.0 Percent

U.S. primary aluminum production averaged 8,794 METRIC tons daily during January 1986, compared with an average 10,599 METRIC tons per day in January 1985.

The annual rate of production in January 1986 was 3,209,657 METRIC tons, compared to 3,192,694 METRIC tons in December 1985. The January 1985 annual rate was 3,868,468 METRIC tons. Actual production in January 1986 was 272,601 METRIC tons.

Commencing January 1986, Aluminum Association primary production will be measured in METRIC tons. Tables of comparative short vs. metric tons are available for the past six years upon request.

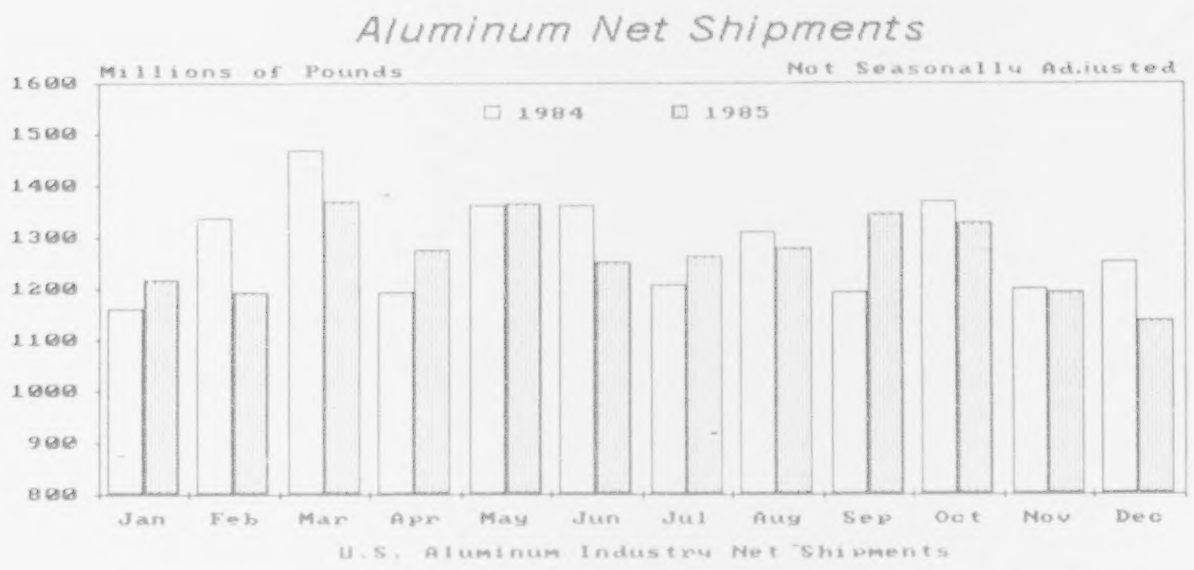


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Year 1985 Shipments Total 15,224 Million Pounds

Estimated shipments of 15,224 million pounds for the year 1985 were down 1.3 percent from the 1984 total of 15,426 million pounds. December shipments of 1,138 million pounds were down 9.3 percent vs. a year ago, and 4.7 percent below November 1985.



Net Shipments

(Millions of Pounds)

	1985 Dec*	1984 Dec.	1985 12 mos*	1984 12 mos.	% Change YTD 1985 vs. 1984
Sheet	469.0	435.4	6,183.4	6,137.6	+ 0.7
Plate	21.0	17.5	257.1	254.9	- 0.9
Foil	61.0	57.1	809.6	852.7	- 5.1
Rod, Bar & Wire	24.0	23.8	301.5	378.0	-20.2
Electrical Conductor	46.0	54.1	673.5	739.8	- 9.0
Extruded Shapes & Tube**	200.0	167.7	2,646.8	2,424.4	+ 9.2
Powder & Paste	9.0	7.3	107.9	98.7	+ 9.3
Forgings & Impacts	11.0	9.8	150.1	144.2	+ 4.1
Net Imports of Mill Products (Total) (a)	72.0	48.3	816.2	865.9	- 5.7
Total Mill Products	913.0	821.0	11,946.1	11,896.2	+ 0.4
Ingot (b)	225.0	434.3	3,277.9	3,530.2	- 7.1
TOTAL INDUSTRY SHIPMENTS	1,138.0	1,225.3	15,224.0	15,426.4	- 1.3
Exports	-56.3	-99.0	-1,204.4	-1,076.4	+11.9
TOTAL DOMESTIC SHIPMENTS	1,081.7	1,156.3	14,019.6	14,350.0	- 2.3

** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

January Orders Up 53.3 Percent vs. Year Ago

Estimated net new order receipts for January 1986 of 2,250 million pounds were up 782 million pounds (or 53.3 percent) over revised January 1985. January 1986 orders were also 728 million pounds (or 47.9 percent) over the revised December 1985 order of 1,521 million pounds.

Order Receipts

(Millions of Pounds)

	1986 Jan*	1985 Jan.	% Change YTD 1986 vs. 1985
Can Stock(a)	443.2	362.2	+ 22.4
Sheet & Plate, Other	446.2	364.1	+ 22.5
Foil	80.5	63.9	+ 26.0
Rod, Bar & Wire	31.2	13.0r	+140.0
Electrical Conductor	64.7	72.0r	- 10.1
Extruded Products	273.0	201.2r	+ 35.7
Powder & Paste	10.3	15.5	- 33.5
Forgings & Impacts	10.1	13.4r	- 24.6
Domestic Mill Products	1,359.2	1,105.3r	+ 23.0
Ingot (Total)	755.0	259.7r	+190.7
TOTAL DOMESTIC	2,114.2	1,365.0r	+ 54.9
Exports	135.7	102.9r	+ 31.9
TOTAL ALL PRODUCTS	2,249.9	1,467.9r	+ 53.3

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Import orders included in Sheet and Plate, Other.
*Latest month.
r-revised.

Year 1985 Inventories Show a 704 Million Pound Decline

Producer inventories declined an estimated 93 million pounds in December 1985 from a revised November 1985 level of 5,239 million pounds. Year-end inventories at an estimated 5,146 million pounds were 704 million pounds less than 1984's 5,850 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jan 85	5,916	2,582	710	2,624
Feb 85	5,820r	2,695	676	2,450
Mar 85	5,800	2,560	663	2,577
Apr 85	5,728	2,597	682	2,449
May 85	5,684	2,579	693	2,412
Jun 85	5,596	2,436	664	2,496
Jul 85	5,575	2,450	681	2,444
Aug 85	5,489	2,397	695	2,396
Sep 85	5,438	2,359	662	2,416
Oct 85	5,337r	2,347r	643r	2,347r
Nov 85	5,239r	2,263r	622r	2,353r
Dec 85	5,146	2,240	546	2,360

*Latest two months estimated by Aluminum Association. Previous data Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1985 Dec.	1984 Dec.	1985 12 mos.	1984 12 mos.	% Change 1985 vs. 1984
Imports	Mill Products	82.7	63.8	1,021.6	1,089.7	- 6.2
	Ingot	127.4	114.9	1,915.1	1,944.4	- 1.5
	Total	210.1	178.7	2,936.7	3,034.1	- 3.2
	Scrap (+ dross)	30.2	20.5	287.8	319.2	- 9.8
	Grand Total	240.3	199.2	3,224.5	3,353.3	- 3.8
Exports	Mill Products	30.0	34.4	438.5	504.2	-13.0
	Ingot	26.3	64.5	765.7	572.3	+33.8
	Total	56.3	98.9	1,204.2	1,076.5	+11.9
	Scrap	58.9	85.2	825.9	569.7	+45.0
	Grand Total	115.2	184.1	2,030.1	1,646.2	+23.3
Net Imports		125.1	15.1	1,194.4	1,707.1	-30.0

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.